

USACE NSPS Compensation Guidance

References:

- (a) Public Law 108-136, National Defense Authorization Act, November 24, 2003
- (b) Title 5, Code of Federal Regulations, Chapter XCIX, Part 9901, Department of Defense Human Resources Management and Labor Relations Systems
- (c) DoD Civilian Personnel Manual, 1400.25.M, Subchapter 1930, Compensation Architecture Pay Policy
- (d) DoD Civilian Personnel Manual, 1400.25.M, Subchapter 1940, Performance Management
- (e) Army NSPS Intern and Developmental Program implementing Procedures for Spiral 1.1 Organizations
- (f) Draft Army NSPS Compensation Implementing Procedures dated 24 July 2006
- (g) DoD NSPS Compensation Frequently Asked Questions:
<http://www.cpms.osd.mil/nsps/faqs.html>

1. PURPOSE

This document provides the NSPS compensation implementation guidance for U.S. Army Corps of Engineers (USACE), and provides USACE supplementation, as necessary, to the DoD implementing issuance, reference (c) and draft Army implementing procedures, reference (f), and must be used in concert with these issuances and procedures. This guidance does not apply to pay setting for interns and developmental positions. Pay setting for interns and developmental positions is governed by the guidance provided in reference h.

2. APPLICABILITY

This document applies to all USACE positions covered by NSPS. Major Subordinate Commanders, Directors of activities reporting directly to HQUSACE, and for HQUSACE, the Deputy Commanding General may further supplement these procedures for purposes of local implementation as necessary. The authority to issue supplemental authority may not be re-delegated.

3. POLICY

It is the policy of the U.S. Army Corps of Engineers (USACE) to fix pay for covered National Security Personnel System (NSPS) employees based on principles that:

- a. Provide for equal pay for work of equal value with appropriate consideration of both national and local rates paid by employers in the private sector.
- b. Promote a high-performance culture within USACE.
- c. Link pay to employee performance that is measured by a fair, credible, and transparent employee performance appraisal system.

4. GENERAL

The NSPS compensation program is a fiscal and human resources responsibility of management, not a human resources program function. The broad range of NSPS pay bands provides substantial pay-setting flexibilities. Implementation of NSPS is directed to be budget neutral. Due to the potential for increased long-term salary costs, authorized management officials and higher-level management officials must exercise fiscal control and pay management oversight.

5. OVERVIEW OF COMPENSATION ARCHITECTURE

Pay band rate ranges may be supplemented in appropriate circumstances by local market supplements. Local market supplements are additional payments to employees in specified local market areas, occupations, specializations, pay band, and/or official worksite. Supplements are established in response to labor market conditions that are not fully addressed by pay band rate ranges. These supplements shall be expressed as a percentage of base salary.

Until determined otherwise by the Secretary of Defense, the geographic coverage of standard local market supplements will be identical to the locality pay areas established under Section 5304 of Title 5 USC. Local market supplements are not currently available. The Secretary of Defense will issue policy guidance and instruction on the implementation of local market supplements.

6. PERFORMANCE-BASED PAY

- a. Performance Shares. Eligible employees with a rating of record of 3 or higher shall be assigned a number of performance shares within the applicable NSPS share range (see Table SC1930-1, Reference (c)). Authority for assigning the number of shares is delegated to the Pay Pool Manager level. In recommending share assignments, include factors such as complexity of the work, overall contribution to the campaign plan and mission of the organization, fiscal soundness, level of responsibility, level of performance relative to other employees in the same pay pool receiving the same overall rating, and other criteria consistent with merit system principles. Additional guidance on prorating the payout is contained in SC1930.9.6.3.2, Reference (f). Pay Pool Managers may choose to establish statistical rate ranges and establish numerical equivalencies to ensure consistent and equitable computation of pay pool pay outs.

7. PAY ADMINISTRATION

- a. Approval Procedures. Except as otherwise provided below, approval levels and procedures for setting pay are delegated to the Major Subordinate Commanders, Directors of activities reporting directly to HQUSACE, and within HQUSACE to the Directors Military Programs and Civil Works for their respective organizations, and the Deputy Commanding General for all other HQUSACE elements. This authority

may be further re-delegated to the next lower level (e.g. District Commanders) if not specifically restricted by DOD, HQDA or USACE guidance. Authority may not be further re-delegated. The senior leaders and pay pool members must coordinate all pay issues with the Director, Resource Management, Human Resources Director and CPAC Chief to ensure pay setting decisions are made and documented prior to the effective date of the personnel action being requested. This delegation includes the authority to determine salary and approve premium pay and other special pay in accordance with References (c) and (f). Premium pay provisions are detailed in reference c, SC1930.13 through SC1930.30. In setting pay for promotions and voluntary reduction in band, delegation is limited to those identified in paragraphs c through e below.

- b. Setting Pay for New Hires. A new hire is an employee who has been newly appointed or reappointed to the federal service. The pay for these employees may be set within the assigned Pay Band with the following criteria:
 - 1) Minimum Rate of Pay: The minimum rate of the appropriate pay band for the occupation and duties.
 - 2) Maximum Rate of Pay: No higher than step 1 of the former GS-grade equivalent plus an additional 30% (not to exceed the band).
 - 3) Pay above 30%: Commanders and/or Directors of major subordinate commands and activities reporting directly to HQUSACE; and within HQUSACE to the Directors Military Programs and Civil Works for their respective organizations, and the Deputy Commanding General for all other HQUSACE elements may authorize pay to be set above the 30% maximum rate.
- c. Setting Pay Upon Reassignment. A reassignment occurs when an employee moves, voluntarily or involuntarily, to a different position or set of duties within his/her pay band or to a position in a comparable pay band on either a temporary or permanent basis. In NSPS, employees may be eligible for an increase up to 5% in a 12-month period, or a decrease to base salary upon temporary or permanent reassignment. An employee who is reassigned through reduction in force (RIF) procedures shall not incur a reduction, and is not eligible for an increase, to base salary (except as necessary to set the employee's rate at the band minimum).
 - 1. Employee-Initiated Reassignment. Major Subordinate Commanders, Directors of activities reporting directly to HQUSACE and within HQUSACE to the Directors Military Programs and Civil Works for their respective organizations, and the Deputy Commanding General for all other HQUSACE elements, may authorize an increase (or decrease) to an employee's base salary on a voluntary reassignment, but should do so only when factors dictate the necessity for such action.

Such factors may include scarcity of candidates, remote location, need for skills, hard to fill locations, etc. This authority may be further delegated to the next lower level (e.g., District Commanders).

2. Management-Directed Reassignment. Commanders and/or Directors of major subordinate commands and activities reporting directly to HQUSACE, and within HQUSACE to the Directors Military Programs and Civil Works for their respective organizations, and the Deputy Commanding General for all other HQUSACE elements may authorize an increase to an employee's base salary on a management-directed reassignment, but should do so only when factors dictate the necessity for such an increase. Such factors may include scarcity of candidates, reassignment from supervisory to non-supervisory position, remote location, need for skills, hard to fill locations, etc. At the discretion of the Commanders/Directors, authority may be further delegated to the next lower level (e.g., District Commanders).
3. Involuntary Reassignment. When an employee is involuntarily reassigned to a comparable pay band through adverse action procedures (as a result of poor performance and/or misconduct), the Deciding Official may reduce the employee's base salary by up to 10%. The reduction may not cause an employee's base salary to fall below the minimum rate of the employee's assigned pay band.
- d. Setting Pay Upon Promotion. As a general rule, pay increase is set at a minimum 6% upon promotion.
 1. An increase higher than the minimum permitted must be based on specific factors that warrant such an increase, such as difficulty in filling the position, superior skills/qualifications, remote location, and greater expected contribution to the mission. However, the increase shall not to exceed the maximum rate of the new pay band.
 2. Delegation of Authority
 - a. Authority to set pay from 6% up to 10% upon promotion is delegated to the Commanders and/or Directors of major subordinate commands and activities reporting directly to HQUSACE, and within HQUSACE to the Directors Military Programs and Civil Works for their respective organizations, and the Deputy Commanding General for all other HQUSACE elements. This authority may be further re-delegated to the next lower level (e.g. District Commander).
 - b. Authority to set pay over 10% upon promotion remains at the General Officer level. The Director, Military Programs is delegated authority to approve these requests for the Transatlantic Programs Center and Huntsville Engineering Center. The Director, Civil Works is delegated authority to approve these

requests for the Institute for Water Resources and Marine Design Center. The Deputy Commanding General, USACE, will approve these requests for all other HQUSACE elements and organizations reporting directly to HQUSACE and not headed by a General Officer. Requests for approval of pay over 20% must meet the criteria contained in SC1930.10.5 of Reference (f). Approval authority defined in (b) above.

e. Setting Pay Upon Reduction in Band

1. Voluntary Reduction in Band. Major Subordinate Commanders, Directors of activities reporting directly to HQUSACE and within HQUSACE to the Directors Military Programs and Civil Works for their respective organizations, and the Deputy Commanding General for all other HQUSACE elements, may authorize a 5% increase to an employee's base salary on a voluntary or management-directed reduction in band, but should do so only when factors dictate the necessity for such an increase. Such factors may include scarcity of candidates, reassignment from non-supervisory to supervisory position, remote/hard to fill locations, need for skills, entering a training program, etc. At the discretion of the Commander/Director, authority may be further delegated to the next lower level (e.g., District Commander).
2. Involuntary Reduction in Band. When an employee is involuntarily moved to a lower pay band through adverse action procedures (as a result of poor performance and/or misconduct), the Deciding Official (a management official who will make the decision in a grievance) may reduce the employee's base salary by up to 10%. The reduction may not cause an employee's base salary to fall below the minimum rate of the employee's new pay band or exceed 10% unless a larger reduction is needed to place the employee at the maximum rate of the lower band.

8. PAY RETENTION

- a. Pay Retention Delegation. Under NSPS, pay retention will apply for two years from the effective date of the action generating the retained pay, as described in SC1930.11.1, Reference (c). Authority to extend pay retention under this section is delegated to Major Subordinate Commanders, Directors of activities reporting directly to HQUSACE, and within HQUSACE to the Directors Military Programs and Civil Works for their respective organizations, and the Deputy Commanding General for all other HQUSACE elements. This authority may be re-delegated to District Commanders. Decisions regarding pay retention should be made in consultation with the Director, Resource Management, the Director, Human Resources and the CPAC Chief. When this authority is exercised, records must be maintained to document the action and circumstance for granting pay retention. This documentation shall be retained with the case file at the servicing CPOC in accordance with Army records management instructions.

9. ANNUAL PREMIUM PAY FOR REGULARLY SCHEDULED STANDBY DUTY:

The USD (P&R) may approve extending standby duty premium pay coverage to occupations other than those cited in SC1930.17.2 contained in reference(c). USACE proposals to extend coverage shall explain why employees within the specified occupational group must regularly remain at the duty station longer than ordinary periods of duty, a substantial part of which involves remaining in a standby status rather than performing actual work, and must address how the criteria in Part 550.143 of 5 CFR are met. Requests to extend coverage must be submitted through the chain of command, endorsed by the MSC or HQUSACE Career program manager or Community of Practice Leader, and approved by HQUSACE, Director Human Resources. HQUSACE will submit these requests through DA G-1 to Under Secretary of Defense (Personnel & Readiness) for approval.

10. DISCRETIONARY PERFORMANCE PAYOUTS:

District Commanders, in conjunction with PRAs and other leadership, may use appropriate funding sources (not pay pool funds) to provide for discretionary performance payouts. These payouts may include Extraordinary Pay Increases (EPI) or Organization Achievement Recognition (OAR), as further defined in SC1930.AP4.2 and SC1930.AP4.3 Reference (c). Payments made under this authority must be approved by the Commander/Director of major subordinate commands and activities and within HQUSACE to the Directors Military Programs and Civil Works for their respective organizations, and the Deputy Commanding General for all other HQUSACE elements.